Executive Registry

7601

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November 14, 1975

THE WHITE HOUSE

WASHINGTON

MEMORANDUM FOR   THE SECRETARY OF STATE
                             THE SECRETARY OF TREASURY
                             THE SECRETARY OF DEFENSE
                             THE ATTORNEY GENERAL
                             THE DIRECTOR, OFFICE OF
                                 MANAGEMENT AND BUDGET
                             THE DIRECTOR OF CENTRAL INTELLIGENCE

SUBJECT: Organization and Management of the
                        Foreign Intelligence Community

The President has directed that a study be made of the organization
and management of the foreign intelligence community. The study
should include an examination of:

-- the basic structure of the community,
-- key problems of organization and management,
-- definition of requirements,
-- systems design and selection
-- resource allocation,
-- guidance mechanisms,
-- consumer-producer relationships, and
-- relevant recommendations of the Rockefeller and Murphy
Commissions.

Based upon the results of these reviews, the study should:

-- evaluate the need for changes in the current organization of
the foreign intelligence community,
-- present options for a possible reorganization of the foreign
intelligence community, and
-- submit the recommendations of each addressee on the options
presented.

This study will be prepared by an ad hoc group composed of representa-
tives of the addressees and chaired by the representative of the Office of
Management and Budget. The study should be completed by December 12,
1975. It will be submitted to the Intelligence Coordinating Group which
was established by the President on September 19, 1975.

Brent Scowcroft

cc: Chairman, Joint Chiefs of Staff

MORI/CDF

DCI/DDCI
Routing Slip

75-12463

TO:

		ACTION	INFO.				ACTION	INFO.
1	DCI			11	LC			✓
2	DDCI	✓		12	IG			✓
3	S/MC			13	Compt			✓
4	DDS&T		✓	14	Asst/DCI			✓
5	DDI		✓	15	AO/DCI			
6	DD/		✓	16	Ex/Sec			✓	A.
7	DDO		✓	17				
8	D/DCI/IC	✓		18				
9	D/DCI/NIO		✓	19				
10	GC		✓	20				

SUSPENSE _____
                    Date

Remarks:

I'd like separate
CIA + IC
representation —
Names? —

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DCI/DDCI

		UNCLASSIFIED		CONFIDENTIAL		SECRET	

EXECUTIVE SECRETARIAT
Routing Slip

TO:			ACTION	INFO	DATE	INITIAL
	1	DCI	X			
	2	DDCI				
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	4	DDS&T	X			
	5	DDI	X			
	6	DDA	X			
	7	DDO	X			
	8	D/DCI/IC	X			
	9	D/DCI/NIO	X			
	10	GC	X			
	11	LC	X			
	12	IG	X			
	13	Compt	X			
	14	D/Pers				
	15	D/S				
	16	DTR				
	17	Asst/DCI	X			
	18	AO/DCI				
	19	S/DCI	X			
	20	C/RS	X			
	21	Gen Thomas	X			
	22					

SUSPENSE _____
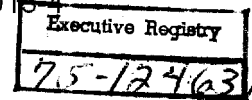   Date

Remarks:

Attached is another paper that will be reviewed at 1300 today.

STAT

3637 (1-75)

November 24, 1975

INTELLIGENCE ORGANIZATION GROUP

PROPOSED TASK PLAN ·

      Study Plan: Review Foreign Intelligence Community
                  only; counterintelligence and domestic
                  intelligence agencies excluded

PHASE I — OBJECTIVES, NEEDS AND PROBLEM DEFINITION (Nov 20-24)

    A.   Study Objective.

        The primary objective is to identify organizational
        alignments and management arrangements

           -- to develop and deliver the best and most
               timely substantive intelligence products
               to policy-makers and government operators,

           -- to insure that decisions to employ intel-
               ligence activities are proper, well considered
               and advised, and

           -- to insure that such activities, when employed,
               are well directed and monitored with assigned
               accountability.

        All of this is to fall within an environment of
        effectiveness, efficiency and economy.

    B.   Current and future trends -- look ahead 5-10 years.

        o   Areas of greater/lesser emphasis.

           -- Mission area - Soviet, PRC, Europe, Middle
               East, Near East, Other.

           -- Type intelligence - military, political,
               econimic, national vs tactical.

           -- Intelligence resource mix - collection,
               processing, production.

           -- Time sensitivity - e.g., six months; 1-2
               weeks; less than one week.

C.   The users of foreign intelligence (after Phase II).

    o   Who are they - President, agency heads, military commanders, agency staff.

    o   What are their needs - today and in the future?

    o   Have these needs been met in the past?

        -- Performance evaluation.

    o   Conduct interviews with consumers/players.

D.   Deficiencies identified in foreign intelligence.

    o   Executive Branch organization.

    o   Intelligence Community leadership.

    o   Intra-community relationships.

    o   Producer-user relations.

    o   Foreign intelligence (secrecy) in a democratic society.

    o   Executive/Congressional relations.

PHASE II - ORGANIZATIONAL AND MANAGEMENT PROBLEMS (Nov 24-29)

1.   Executive Office (and State) supervision, coordination and control.

2.   Intelligence Community Leadership.

3.   Control over Community Resources.

4.   Producer/consumer relationships.

5.   Need for secrecy and compartmentation.

6.   Protection of sources and methods.

7.   Covert action.

8.   Intelligence support in crisis situations.

9. Control of intelligence resources in peace-time and war-time.

10. National intelligence support for field commanders.

11. Review the Intelligence Community organization.

12. Relationship of the Intelligence Community and Congress.

PHASE III - <u>IDENTIFICATION AND REVIEW OPTIONS</u> (Dec 1-5)

o Evaluate need for organizational changes.

o Identify most promising options.

o Spell out the pros and cons of each option.

PHASE IV - <u>DEVELOP FINAL REPORT</u> (Dec 5-15)

Dec 6 - Complete First Draft.

Dec 9 - Complete Second Draft.

Dec 10 - Review draft report with principals.

Dec 12 - Final Draft for comment/mark-up.

Dec 15 - Deliver final report.

Dec 16 - Receive formal agency comments.

IDENTIFIED PROBLEMS

1. <u>Executive Office and State supervision, coordination and control.</u>

    1. How Presidential needs are currently being served.

        -- Who reports to President on intelligence matters?

        --Responsibility for providing substantive intelligence unclear.

    2. Executive Branch coordination in politically sensitive areas (e.g., covert action, clandestine collection)

    3. Resource control unclear within the Executive Office.

    4. Oversight procedures must be strengthened.

    5. Role of PFIAB must be reexamined.

Sources: All Studies

            PFIAB Data

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2. <u>Intelligence Community Leadership</u>

   1. Identify possible options

   2. Evaluate capability of various options to resolve identified problem

3. Control Over Community Resources

1. Describe and critique current resource control system
   - DoD/DCI/CIA/State/Treasury

2. Resource control within the Executive Office

3. Decision-making framework emphasizes functions (input)
   rather than mission product needs (output)

   processing,
4. Inadequate review of balance between collection,/and production.

5. Viability of existing committees including - IRAC, USIB, Excom

6. Consumer role in resources

7. National vs. tactical resources

8. Performance evaluation--describe and critique

Sources:
   Schlesinger Study
   CIA Study
   OMB papers

4.   Product/consumer relationships

1. Catalog of major relationships - DoD/DCI will provide quick
   survey by Tuesday

                    quality, relevance,
2. Trends in /   and timeliness of product shaped to user

3. Relative importance of structured vs. ad-hoc requirements

4. Intelligence personnel involvement in policy-making process

5. NSCIC effectiveness

6. Early warning capability needed.

7. Need for feedback; customer must iterate with producer

8. Greater need for lower level customer involvement

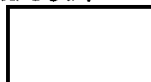9. Washington relation with country teams.

10 Access to sensitive US info

Sources:
   Schlesinger
   CIA Study

5. Need for secrecy and compartmentation

    1. Describe and critique current system

    2. Must reexamine what needs to be protected

    3. Is customer being served properly - objective must
        be to deliver needed information to customer

    4. Tendency under today's system to seal off on all sides

    5. Excess emphasis on clearances which consumers do not need;
        other potential customers are not being served since they
        do not possess clearances

    6. Overhead reconnaissance classification question - including
        possible delivery of product to outside users

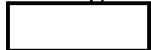   7. Parallel to classification study conducted in 1971

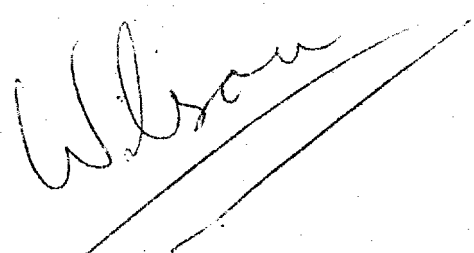Sources:

    [ ] paper   STAT
    [ ] papers
    Congressional proposal
    [ ] papers   STAT
    Space Policy Committee (overhead reconnaissance)

6. Protection of sources and methods

   1. Describe existing authority (statutory) - partial in coverage
       (NSA and CIA included, DIA exclude.

   2. Existing proposals for statutory changes from DCI/DoD/White
       House are needed

   3. Review existing agency proposals and counterviews

   4. Protection vis-a-vis Congress/and public

Sources:

[ ] Existing statues
    Statutory proposals

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7. Covert action

1. Describe and critique existing nature and structure

2. Assess all levels of existing controls (including Congress)

3. Should it be part of the Intelligence Community?

4. Should it be in CIA?

5. Need for coordination on politically sensitive problems.

Sources:

[   ] - CIA Study Annex   STAT
Murphy Commission - Covert Action Annex
                   - Agency responses (in library)
[   ] will check   STAT

8. Intelligence support in crisis situations

   1. Describe and critique the current process including:

      . who provides intelligence to WSAG

      . Strategic Warning Staff (under DCI)

      . Early warning process

      . Alert memorandum

      . Operational Centers (White House Sit Room, NMCC, State, NSA)

      . Effectiveness of feedback mechanisms from policy-makers to intelligence producers.

Sources:

   CIA Study
   DIA Study of warning systems (library)
   DCI directive on strategic warning

9. <u>Control of intelligence resources in peace-time and in war-time</u>

1. Describe and critique existing procedures (including statutory and formal ties between DoD/DCI)

2. Can the military and DCI roles be more closely related?

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10. <u>National support for field commanders</u>

1. Outline will be provided by Tuesday (Action: [   ]

11. Review of the Intelligence Community organization

    1. Describe and critique the current structure

    2. Historical context shaping organizational decisions

    3. Identify its strengths and weaknesses

    4. Review the existing committee structure

    5. Identify abuses which have occurred

    6. Procedures for legal advice

    7. Restrictions + limitations

12. Relationship of the Intelligence Community and Congress

    1. Describe existing arrangements

    2. Congressional oversight role and its implications

    3. Congressional access to intelligence product

    4. Role of the GAO

13. Restrictions + limitations

INTELLIGENCE ORGANIZATION GROUP

Work Schedule — November 24-30   STAT

Monday, Nov 24: 2 p.m.

   Review of the Intelligence Community organization

   Relationship of the Intelligence Community and
      Congress

Tuesday,   25: 2 p.m.

   Execu   Office (and State) supervision,
      coor ination and control

   National support for field commanders

Wednesday, Nov 26: 2 p.m.

   Need for secrecy and compartmentation

   Intelligence support in crisis situations

   Control of intelligence resources in peace-time
      and war-time

   Covert action

Friday, Nov 28: 2 p.m.

   Control over Community Resources

   Producer/consumer relationships

   Protection of sources and methods

Saturday, Nov 29/Sunday, Nov 30

   Wrap-up session(s) - complete work on all   ALL
      problem papers